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MONTANA TOURISM
MARKETING DEVELOPMENT PLAN

VOLUME II

MANAGEMENT SUMMARY AND RECOMMENDATIONS

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MONTANA TOURISM
MARKETING DEVELOPMENT PLAN

VOLUME II

MANAGEMENT SUMMARY AND RECOMMENDATIONS

Prepared For:
MONTANA TRAVEL PROMOTION UNIT

December 1980

Prepared By:
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#140-02-80



PREFACE

This report covering the marketing research and resulting planning recommendations is issued in three volumes as follows:

Volume I: : The Tourism Product And How It Is Viewed. This volume reports the results of the research efforts undertaken concerning what Montana has to offer and how tourists and the trade view it as a vacation destination.

Volume II: Management Summary And Recommendations. This volume summarizes the findings and presents the recommended marketing development plan.

Volume III: Size And Composition Of The Current Market. This volume presents projections of current visitor flows as derived from the surveys of the United States and Canadian prime market.

In addition, detailed tabulations of the survey data from the U.S. prime market and the Canadian prime market surveys have been provided under separate covers.



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INTRODUCTION



INTRODUCTION

A. Purpose

This document presents a management summary of the findings developed from this study and the recommended strategic planning parameters for the Montana Travel Promotion Unit.

The overall aim of this project is to devise a plan to guide public and private development of tourism to Montana for the five-year period beginning with Federal Fiscal Year 1981. The intent is to provide Montana with workable guidelines and an attainable objective on which to base a marketing program -- a program that will take advantage of existing tourism potential and thereby improve the economic well-being of the state. To that end we want to attract non-resident tourists who will spend dollars, thereby increasing income and employment for Montana residents without requiring Montana's support for schools, housing, and other expensive services.



B. Research Program

The research program on which this report is based had seven components. These components were:

- ...Discussion with representatives of the state government, local governments and the private business sector in Montana;
- ...A detailed review of available information derived from governments (state and federal), international and domestic travel industry groups, transportation suppliers, and universities;
- ...Focused group discussion with U.S. tourists;
- ...505 telephone interviews with tourists who currently live in the ten states surrounding Montana which supply the major portion of driving tourists (the U.S. prime market);
- ...100 telephone interviews with vacationers in the comparable Canadian area, i.e., Calgary and Edmonton (the Canadian prime market);
- ...37 personal interviews with U.S. based tour operators, wholesalers, air carriers and travel agents operating in or to the Northwest; and
- ...37 personal interviews with travel trade members who represent sources of tourism from Europe, Japan or Canada.

A more detailed explanation of the individual research steps may be found in the Introduction to Volume I.

What follows in this volume is a summary of the findings of these research efforts. Following the summary is a statement of the planning recommendations which follow from the findings. For a more detailed statement of the findings please refer to Volumes I and III.



C. Organization Of This Volume

This volume is organized into nine sections. The first four summarize the key findings of the research and the last five presents our recommendations. The nine sections are as follows:

I. The Management Summary

- A. Where is Montana now?
- B. Is there potential for growth?
- C. What are the obstacles to growth?
- D. What opportunities exist?

II. Planning Recommendations; How should tourism development and marketing proceed?

- A. The Positioning Strategy
- B. The Marketing Goals
- C. The Tactical Base
- D. The Budget
- E. Research and Development



D. A Comment

The summary and the recommendations contained here are presented in the belief that controlled and planned growth of non-resident tourism will offer strong economic benefit for Montana. The economic justification -- the measurements of income and jobs generated -- have been documented by Western Analysis. Our purpose here is to focus on the steps required to attract tourists to Montana and to do so in a manner which optimizes the economic benefits and minimizes social costs. Achieving this goal will require dollars and effort. The ultimate decision to make this investment clearly belongs to Montana. Nevertheless, Davidson-Peterson Associates, Inc. believes the benefits to Montana warrant serious, positive consideration of this plan by both the public and private sectors.



I. THE MANAGEMENT SUMMARY

A. Where Is Montana Now?

The intent of this section is to describe briefly the current position of Montana in the tourism marketplace. This current position is the base from which growth must begin.

- ...In 1979 approximately 2.5 million individual non-resident tourist visits occurred in Montana. This includes both travelers whose primary travel goal was a pleasure visit to Montana and those just passing through Montana to or from some other primary trip destination.
- ...This number does not have much significance by itself, such tourist volume represents a very low penetration of the prime market for Montana tourism.
- . While the U.S. prime market accounts for 62% of all tourist visits to Montana, these Montana trips are only 5% of all pleasure trips taken by people in this prime market area. (This prime market area is the area from which a reasonable car trip will bring the traveler to Montana.) The importance of this U.S. prime market is underscored by weakness in air travel and long car trip vacations being experienced in the U.S. economy -- a weakness based on energy concerns, inflation, and other economic conditions existing in 1980.



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- . The Canadian prime market (Edmonton and Calgary) generates 10% of tourist visits to Montana. This again is low penetration, as Canadian visits to Montana account for only 13% of pleasure trips taken by Canadians living in the Canadian prime market area.

Note: While Canada currently supplies a significant tourist flow, the potential for growth is severely limited by the relatively small population (1.3 million population versus 20.4 million for the U.S. prime market) and by the competition for Montana offered by British Columbia or by more distant areas offering sun, sand, sea, or excitement. The Canadian prime market cannot be looked at as a major source of tourism growth.

- . The remaining 28% of tourists include those from the rest of the U.S., those from the rest of Canada and overseas visitors. The dominant motivation to visit Montana and the trip focus for these visitors is Glacier or Yellowstone National Park. While in Montana on the way to or from the parks, many of these visitors do not view themselves as visitors to Montana.

...Montana has a very low salience as a vacation destination. Among all segments of the travel marketplace Montana is very infrequently mentioned as a place to go for a vacation.

- . Top-of-mind awareness of Montana as a place to vacation is 2% among U.S. prime market residents and 1% among the Canadian prime market. Only 8% in each market think of Montana at all when asked to think of places to go for a vacation. Comparable figures for other states among U.S. prime market residents are California, 46%; Oregon, 22%; Washington, 21% and Colorado, 14%. In Canada, British Columbia is mentioned by 43% of the prime market tourists.
- . Awareness of Montana's tourism advertising is equally low -- 2% among the U.S. prime market and 7% among the Canadian prime market.



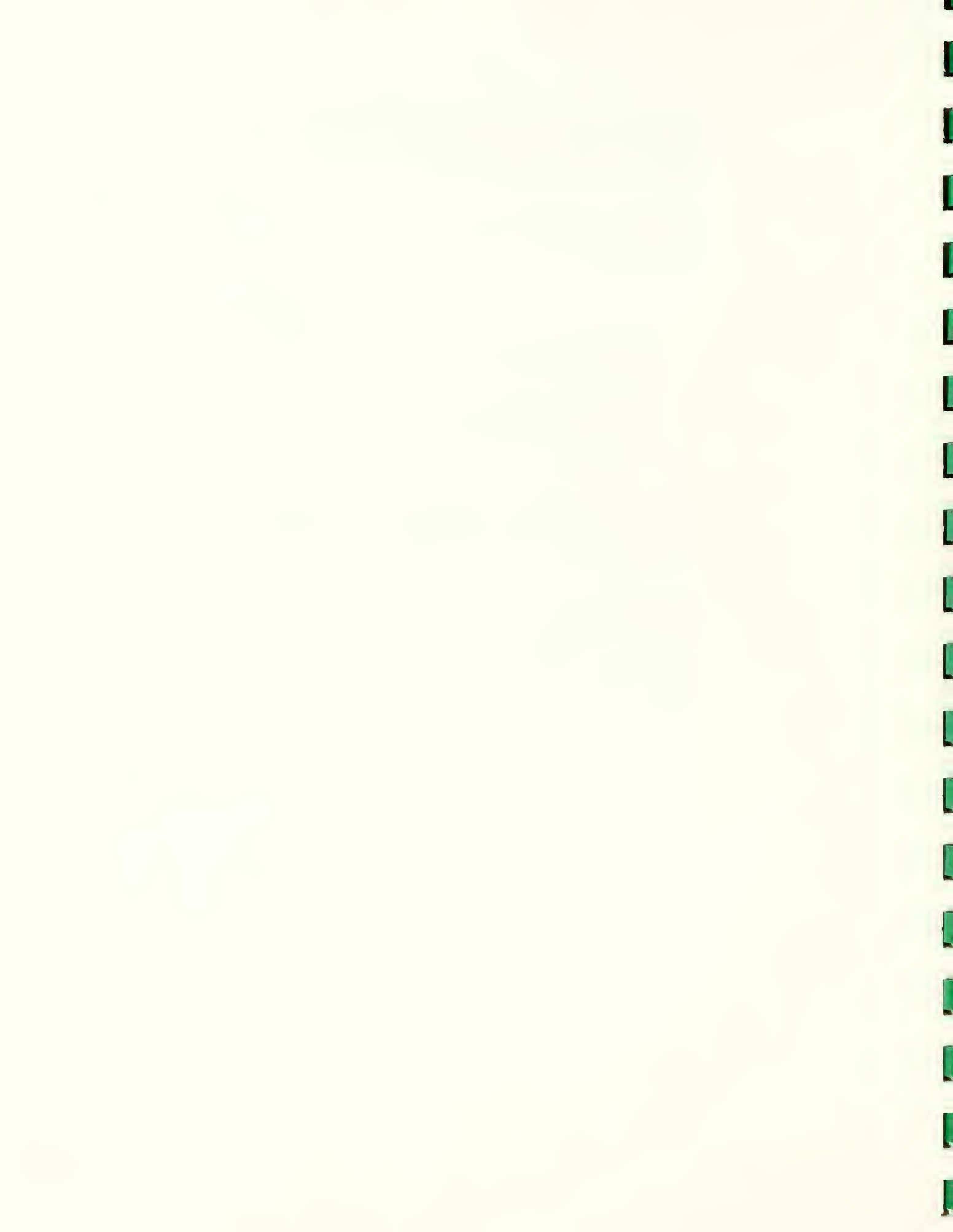
- . Further, when asked where in Montana they might go for a pleasure visit, potential tourists really do not know where. Lacking a specific place to go, it is very improbable that people will plan a vacation to Montana.
- . The vast majority of tourists in Montana are passing to or from some other location that is their primary trip destination.

	Tourist Households Visiting Montana	
	<u>U.S.</u>	<u>Canada</u>
Montana is a primary destination	27%	38%
Montana is <u>not</u> a primary destination	73%	62% <u> </u>
BASE	55	21

Thus, most visitors to Montana are in Montana because they are going to or coming from somewhere else, not because Montana is the primary place they want to visit.

- . Partly due to the predominance of pass-through visits the average stay of non-resident tourists from the U.S. prime market in Montana is short -- 3.5 nights. That is a short stay for an area that is trying to build an economically viable tourism industry. Note that the few whose primary destination is Montana do stay, on average, more than 6 nights.
- . The average party size from the U.S prime market is fewer than 2 people (1.97). That is also low and suggests that few families on vacation visit Montana.





...The tourist visiting Montana is typical of all tourists originating in the prime market areas: Except that --

- . The U.S. prime market tourist who visits Montana is considerably more likely to be a blue-collar and less likely to be a white-collar worker.
- . The Canadian prime market tourist who visits Montana is more upscale than Canadian tourists in general. The Canadian tourist to Montana is more apt to be a white-collar worker, a college graduate and earn a higher income than is the typical Canadian prime market tourist overall.

This difference reflects both the type of pleasure trip typically taken by U.S. and Canadian residents and the fact that the markets in these two areas are different.

...The U.S. prime market tourist views Montana as a place to visit --

- . in the summer;
- . for a short stay; and
- . for an outdoor, nature-oriented experience.

...The Canadian prime market tourists views Montana as a place to visit --

- . in the summer but also in the winter (sometimes for skiing);
- . for a relatively short stay; and
- . less for outdoors activities and more for shopping and entertainment (a more "developed facilities" orientation).



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B. Is There Potential For Growth?

We believe that a strong tourism growth potential does exist.

Failure to achieve growth would not be due to a lack of potential -- rather to the lack of effective promotional efforts.

Evidence of growth potential can be seen in many ways.

- ...Many other residents in the prime market areas are similar in character and in desires for a pleasure trip to recent Montana visitors. What is required is to communicate to these non-visitors the benefits of a Montana pleasure trip and tell them just where in Montana to find these benefits.
- ...People who do visit Montana appear to be satisfied with their Montana experience. More than half the recent Montana visitors from the U.S. prime market (54%) say they are likely to return in the next few years. The expectations that attracted them to Montana are fulfilled when they visit.
- ...In fact, the type of vacation experience offered by Montana is the type of experience many people want. There is demand for outdoors, nature-related vacations. There is also demand for relaxation, fishing, Old West history and atmosphere and sightseeing. That people do not now come to Montana for these experiences is due, in great part, to their lack of knowledge that these types of vacation experiences can be found in Montana.
- ...There are few perceived negatives associated with a Montana vacation.



2. Is there something for students?

We believe that a student's learning is not only a matter of receiving information, but also of being able to use it. This means that students should be given the opportunity to apply what they have learned in a practical way. This can be done by giving them assignments that require them to use their knowledge in a real-world context. For example, a student who has learned about the water cycle could be given an assignment to design a water conservation plan for a school or a community. This would allow the student to apply their knowledge in a way that is meaningful and relevant to their life.

Another way to ensure that students are able to use their knowledge is by giving them opportunities to work in groups. This allows them to share their ideas and learn from each other. It also helps them to develop their communication and teamwork skills. For example, a student who has learned about the water cycle could be given an assignment to work in a group to design a water conservation plan for a school or a community. This would allow the student to apply their knowledge in a way that is meaningful and relevant to their life.

Finally, it is important to ensure that students are given opportunities to reflect on their learning. This allows them to think about what they have learned and how they can use it in the future. For example, a student who has learned about the water cycle could be given an assignment to write a reflection on what they have learned and how they can use it in the future. This would allow the student to apply their knowledge in a way that is meaningful and relevant to their life.

In conclusion, there is something for students in every subject. It is up to us as educators to ensure that we are giving them the opportunities they need to learn and grow. By providing them with practical assignments, opportunities to work in groups, and opportunities to reflect on their learning, we can ensure that they are able to use their knowledge in a meaningful and relevant way.

...Members of the travel trade -- both domestic and international -- express real interest in learning more about Montana. They are interested in exploring the possibilities of adding tours that include Montana.

...Residents of several population centers such as Minneapolis/St. Paul, Seattle, Spokane or Calgary have shown a strong interest in taking a pleasure trip to Montana.

In sum, there are potential visitors to Montana who have the ability and interest to come to this state and there is interest in learning more about what Montana has to offer.



C. What Are The Obstacles To Growth?

In this section we will look at those factors which have prevented tourism from realizing its potential in the past and which -- unless adequately addressed -- will continue to restrict the growth of tourism to Montana.

...The most important obstacle has already been discussed. This obstacle is the lack of awareness, lack of knowledge and lack of specific information about tourism/vacation opportunities in Montana. For both travelers and tour operators/travel wholesalers, Montana is just not thought of as a place to vacation.

...A second and somewhat related problem is the underdeveloped tourism infrastructure. Successful tourism destinations need to be organized, packaged and promoted in a way that is meaningful to prospective tourists. Tourists will not travel miles to see some unspecified view. They need specific places to sleep, eat and be entertained. They need to be told "go here," "stand there," "see that view." Such a sense of organization is currently lacking in Montana. Many tour operators with whom we talked, for example, do not believe that Montana has the capability of handling groups of tourists. This concern involves lodging, eating, things to do or see, and internal transportation.



...Two indigenous disadvantages are recognized by tourists:
cold weather and transportation difficulties.

- . For part of the year cold weather is a fact. Frequent television weathercasters' references to the "coldest" spot in the nation do not help. Except for skiing, there is a strong and consistent tendency for people to be drawn to warm weather for vacations. And, especially among U.S. residents, the availability of good resort skiing in Montana is not well known. Among one group of skiers all of whom average over 20 days per year of skiing and have recently skied in Colorado or Utah no one thought of Montana as a place to ski.
- . For those within a few miles' drive, getting to Montana is not a major problem. For everyone else the difficulty of travelling to and from Montana is a distinct obstacle to increased tourism growth.
- . Internationally-oriented tour operators cite the lack of a recognized international gateway. This is particularly true for single destination vacations. While the growing importance of Denver (Western) and Minneapolis (Northwest) will help, the difficulty in getting from these cities to Montana will remain a problem.
- . Domestic air schedules are clearly inadequate to support increased tourism traffic. (Interestingly, the air carriers feel that existing load patterns support the contention that there is little vacation travel to Montana. These carriers feel most traffic is generated by Montana residents or for business reasons.) If the demand is there, flights will then be scheduled, but the proof of demand must come first.

Unfortunately, in the short run, one effect of air travel deregulation may well be a deterioration in existing service.



...For the bus tour operator, a trip to Montana must be relatively long. This market is limited to older, probably retired, people.

...Montana lacks several features that are key attractions to many people when selecting a vacation destination. These features are:

- . Exciting nightlife or flashy, exotic entertainment. Often associated with Las Vegas-style gambling, the availability of this type of diversion, the atmosphere it creates and the elegant people who go with it are a distinct appeal to many people. Montana cannot now and probably should not try to compete in this market. However, Montana must recognize that people who "need" these aspects cannot be attracted to Montana.

Not recommending the development of facilities designed to compete in this market does not imply that Montana should not encourage the development of more deluxe resort hotel facilities. While not critical now, a long-term growth trend will require a larger and upgraded resort plant.

- . Sun, sand and sea. While there is the possibility of doing more with some of the fresh water in Montana, the opportunity to offer a warm beach, water sports-oriented vacation is minimal. Again, as some people feel this is a key "need," this restricts the market to which Montana can appeal.

...Finally, many tourists and travel trade operators do not perceive that Montana offers anything unique -- anything not available elsewhere. Yellowstone Park is for many not associated with Montana and natural beauty, wide open space, and even an Old West flavor are seen as being available at a wide variety of other places.



In sum, there are physical restraints such as the underdeveloped tourism infrastructure, cold weather, the absence of exciting nightlife/entertainment or the transportation difficulties which will limit tourism growth. However, the main obstacles are in the minds of people, i.e., their lack of awareness and knowledge of what Montana offers and how to take advantage of these offerings.



D. What Opportunities Exist?

Analysis of the existing market suggests that several opportunities do exist for developing increased tourism to Montana. The intent of this section is to enumerate these opportunities.

It should be clear by now that four themes appear throughout this entire study and the resulting plan. These themes are:

- ...Montana has the capability of becoming a much more frequently visited vacation destination than is now the case. There are excellent tourist assets and there are many potential tourists who look for the type of vacation experience Montana does and can offer.
- ...Nevertheless, Montana does not have the facilities or geographic location required to become a mass-market attraction. The absence of warm weather, sunny beaches, exciting nightlife, plus transportation distances and difficulties are real limitations on tourism development. Marketing must be based on isolating the appropriate segments of the tourism marketplace to whom Montana appeals and focusing promotional efforts in a targeted, vertical manner to these segments. Each segment will differ and hence requires different programs and marketing efforts.

...Considerable development is needed within Montana before major new tourism flows can be generated or supported. An organized tourism infrastructure must be developed and catalogued.

...Within the context of the first three points the critical task is to communicate that Montana is an excellent place to vacation and to educate prospective tourists in the many and varied places to visit, places to eat, things to do and things to see.

Clearly, then, the key opportunity is to develop an infrastructure and communicate effectively to target market segments that Montana is the place to vacation. We strongly recommend that these two efforts receive the major focus of effort, time and dollars from both the public and the private sectors.

Within the context of that recommendation, what specific development opportunities can we suggest? The following is offered.



1. Activities -- The U.S. Prime Market

...In the course of this analysis we looked at the activities or vacation characteristics people want and do on a pleasure trip and compared those with what they expect from Montana. We then looked at what exists in Montana and what people who have visited Montana feel they experienced. This analysis suggested a number of gaps.

...There are a large number of people who would be much more inclined to visit Montana if they knew the following were available (and we think they really are).

	<u>U.S. PRIME MARKET</u>	
	<u>Did Recently or Want</u>	<u>Associate With Montana</u>
	<u>%</u>	<u>%</u>
Fishing	58	19
Camping/backpacking	63	23
Hiking	50	15
Horseback riding	23	8
Water sports	71	7
Winter sports	37	4
Attend rodeo	28	3
Visit museums, historical sites	81	5
Need lots of things to do	64	16
Inexpensive	NA	10
Has really friendly people	NA	27
Good food and restaurants	NA	12

2. Developed Facilities -- The Canadian Prime Market

The opportunity in the Canadian prime market is more toward stressing man-made facilities and "cultural" facilities such as shopping, entertainment or skiing.

3. Old West -- The European Market

European tourists are interested in the "Old-West," although the warmer and better developed southwestern states have an initial advantage. Until Montana offers signs, menus, brochures in foreign languages, improves the currency exchange capability and commits funds specifically to selling the overseas originating tourist, realizing this opportunity will be slow and difficult. Nevertheless, this appears to be one opportunity that should be pursued aggressively, especially in cooperation with Western Airlines, Northwest Airlines, and other nearby states.

II. PLANNING RECOMMENDATIONS

Before proceeding to detail our recommendations we would like to make two points:

...We recognize that budget constraints, the political realities of any government agency, and the existing capabilities and resources of the private structure are real and necessary limitations. We have tried to be realistic in our recommendations. On the other hand, the data suggest strongly that certain levels of resource commitment and facilities improvement are required if progress is to be achieved. If Montana decides not to commit the necessary resources, reaching desired growth goals will be nearly impossible.

...We also recognize that some of our recommendations are already being implemented. This document represents a point nearly three months into the planning process. In fact it is pleasing to see the progress already achieved.

In that context, we recommend the following outline for the next five years: January 1, 1981 - December 31, 1985.

These recommendations are presented under five headings as follows:

- A. The Positioning Strategy;
- B. The Marketing Goals;
- C. The Tactical Base;
- D. The Budget; and
- E. Research and Development.

Taken together, these five sections will provide Montana with the planning guidance required to achieve substantial growth in income and jobs generated by non-resident tourism during the next five years.

A. The Positioning Strategy

A number of facts underscore the conclusion that Montana is not now and should not be marketed as a mass-market destination. Large numbers of people want vacation experiences not available in Montana. The existing flow of tourists is composed of groups with different needs and different behavior patterns. And, finally, budget limitations require that dollars be targeted where they can achieve the greatest gain.

Thus, we recommend that Montana adapt a basic strategy of market segmentation. Under this strategy the use of general umbrella or image promotions employing general or mass-market media will be severely limited. Instead, the marketing focus will be on individual segments defined on the basis of geographic location, type of pleasure trip to Montana, type of vacation desired, or some combination of these factors. Marketing efforts targeted toward these segments will be specific, vertical, and direct.

Some of the key target segments include:

- ...Blue collar residents of the U.S. prime market area who are looking for a place to spend several days relaxing in an uncrowded, natural setting;
- ...Upscale Canadians in Calgary who want to go away for a weekend of shopping and entertainment;
- ...European travelers who want to spend a couple of weeks driving around the Old West sightseeing and visiting historic sites;
- ...Special interest groups throughout North America who are looking for things like:
 - . time, rest and relaxation;
 - . affordable skiing; and
 - . fishing; and
- ...Visitors to Yellowstone or Glacier National Parks who can be persuaded of the virtue of spending several days in Montana outside of the Parks.

NOTE: We do not recommend a major commitment of funds or effort toward the Europe-originating tourists at this time. First, it is costly and funds are very limited. Second, Montana needs improvements in signage, brochures, menus, currency exchange, and foreign language-speaking customer people before a successful campaign can be mounted to attract Europeans. It might be productive to begin initial development programs in Great Britian whose tourists will have little trouble with language. In addition, while consolidating the domestic base and organizing the infrastructures, it will certainly be worthwhile to join cooperative efforts, begin to address the language and currency problems, and develop printed material such as fly/drive itineraries for the European marketplace.

B. The Marketing Goals

Any marketing plan should have clearly defined goals and objectives. For Montana we suggest two types:

1. Growth Rates

The goal of Montana tourism marketing should be to achieve the following rates of growth.

<u>Year</u>	<u>Goal</u>
1981	Maintain tourism at current levels. This goal reflects <u>both</u> current economic conditions including forecasts for no-growth in tourism at the national level and the time required for this plan to begin to impact the tourism marketplace.
1982	3%
1983	5%
1984	7%
1985	10%
Annual Rate of Growth	
These are the steps required to achieve a 10% rate by 1985. By 1986 total tourism will be approximately 30% higher than in 1981. This is both attainable and will have significant impact on Montana's economy.	

2. Intermediary Objectives

In order to reach these numeric goals, to broaden the visitor base, to increase the economic contributions of tourism, and to develop a more stable tourism industry, the following intermediary objectives need to be achieved.

- ...Develop a comprehensive inventory of existing and potential tourist attractions and support facilities. This inventory should be continually updated and assessed to determine where voids or gaps exist that should be filled.
- ...Package tourist attractions and support facilities into a series of focus centers. A focus center may be defined as:
 - . a geographic area that is clearly defined, identified, and named;
 - . that is small enough to be viewed by prospective tourists as a specific destination where one can plan to spend one or more nights;
 - . that contains a number of specific places to go, attractions to see, and things to do;
 - . that offers the appeals of Montana (Old West, mining and ranching, beautiful area with open spaces, nature); and
 - . which is presented in a way so as to persuade prospective tourists to visit using details such as places to stay and eat, so it is possible to plan to include the focus center in a travel itinerary.

- ...Communicate the name, locations, and appeals of these focus centers.
- ...Educate the potential tourist that Montana should be top-of-mind as a primary vacation destination. As a result change the mix so that more visitors to Montana are there because Montana is their primary destination.
- ...Reduce the dependence of Montana on tourists who arrive by private automobile. This will require improvements in air, bus, and rail transportation to Montana, improvements to transportation within Montana, and attracting people who are not wed to their cars.
- ...Attract more groups of people to visit Montana together. These groups can be small meetings and conventions or tours.

C. The Tactical Base

To achieve these goals and objectives we recommend that the following tactical base be employed.

- ...Develop a new series of brochures to support the twin goals of (1) closely associating VACATION AND MONTANA and (2) communicating the myriad attractions available. A first step would be developing an attractive "Attractions and Events" brochure.
- ...Increase public relations efforts designed to generate favorable mentions of Montana vacations/pleasure trips in travel trade publications, vertical publications (skiing, hunting, fishing, camping for example), and general media. This means supporting the development of articles, disseminating news items, and cooperating with editorial and trade opinion leaders.
- ...Develop a familiarization trip program for outdoor-oriented writers (both newspapers/magazines, and radio/TV), tour operators or travel wholesalers, and for opinion leaders in various market segments such as ski clubs, sportsman's groups or professional groups such as AMA, or The Bar Association, whose members show an increased propensity to desire relaxing vacations. The familiarization trip program should support both public relations and group meeting sales.

...Attempt to work out joint promotions with equipment manufacturers and media. These could involve contests in which the prize is a vacation to Montana or attendance at meets that occur in Montana. For example, many resort areas have been put on the map by gold classics, tennis matches, or ski contests. Joint promotions stretch dollars and gain exposure otherwise unavailable.

...Within the area of product development, aggressively sponsor development of focus centers, possibly with matching funds as well as leadership. This increased organization of the tourism infrastructure will be critical to the success of the entire program.

Likely areas focus centers are the Yellowstone and Glacier gateways, the park between the parks, the historic restoration areas, and Deer Lodge. The goal is to develop a number of varied areas.

...Develop programs to "sell" tour operators on the virtue of scheduling more Montana stops on their tour programs. This effort may well require a series of industry training programs to help local tourism businessmen learn how to sell tours and how to provide the services and facilities required by tours.

...Develop -- and test -- a central theme that can be employed by both the public and private sector in order to tie together all of Montana's marketing efforts. This theme should be catchy -- inviting imitation or humorization if possible. It should communicate that a Montana vacation is fun, something unique and affordable.

Two suggestions hold promise. One is some variation on "Montana, the original _____ vacation." Another which may be more involving and have beneficial effects among Montana residents is a variation on: "The Chuck Wagon Feeling."

- ...As Montana's goals can be achieved by lengthening stay as well as generating new visitors, some efforts should be focused on communicating with people already in Montana (both residents and non-residents) describing which is available in the state.
- ...Another advertising goal should be to create immediacy of desire among people in the prime market areas. The idea to promote is not to vacation in Montana sometime, but rather to suggest specific times for vacations. Promotion of particular events or specific times that are particularly apt for certain activities would serve this purpose.
- ...The many people visiting in Yellowstone, and to a lesser extent, Glacier who are not really aware they are in or near vacation opportunities in Montana offer an attractive opportunity. Brochures and possibly limited use of billboards would be good. The latter, however, must be specific such as "Visit (some specific place), only (a few) miles up this road." Billboards are not good for building image or for long-range selling, however.
- ...When a special effort is made to attract European-originating tourists, it will be necessary to develop specialized brochures. These brochures need to be in various languages and need to contain sufficient detail that they can be used as the basis for planning individual trips. A first step that could be done quickly would be a series of fly/drive itineraries.
- ...Montana should consider developing an incentive or coupon program to underscore the affordable nature of a Montana vacation.

D. The Budget

The intent of this section is to suggest the level of financial committment required to achieve the growth goals outlined previously. We recognize that this budget greatly exceeds current levels of spending and that it may be difficult to achieve greatly expanded levels quickly. Nevertheless we believe that it is our responsibility to indicate just what level of investment is required to achieve meaningful growth and provide, through an increased level of tourism, more jobs and more income for Montana. Providing economic growth is not inexpensive. If a smaller investment is made, then smaller growth will be realized. The recommended budget is based on the need to compensate for previously inadequate levels of spending, the magnitude of the product development and communications tasks, and the levels of spending by competitive areas.

A reasonable annual budget would be 1.9 million dollars in year one increasing to 2.65 million dollars in year five. The 1.9 million dollars would be allocated as follows:

. Internal staff, office expenses, telephones, staff travel and related expenses. This includes adding two staff positions: one to focus on product development and one to be a marketing specialist with experience in advertising, promotion and merchandising.	\$ 250,000.
. Public relations activities including news, articles and special events.	150,000.
. Printing including brochures, collateral material, art work, and writing research.	150,000.
. Familiarization trips and industry relations.	50,000.
. Advertising including production and media	1,200,000.
. Research and development	<u>100,000.</u>
	\$1,900,000.

Two factors should be stressed. First, this is a conservative budget. It does not contain "fat". And, second, it is a total budget. This means that it does not all have to be spent by Montana State. Some funds can be spent, of course, by the private sector. However, it is critical that the program be carefully coordinated, and the State unit is the logical place for that coordination to occur.

In conclusion, we would like to make two points:

- ...The year one goals cannot be achieved in the immediate future.
- .The funds for tourism for the next six months have already been appropriated. We concur with the allocation of these funds already established by the Tourism Unit.
- .A key objective must be to increase funding to the needed levels as soon as possible.
- ...The funding required to generate the jobs and income for Montana which this tourism development program is intended to accomplish suggests the desirability of searching for new sources of funds from both the private and public sectors.

The bottom line for this program is that an expenditure of approximately 11 million dollars over a five-year period will generate.

E. Research and Development

One of the key elements which has been lacking in Montana's tourism efforts to date has been research and development. We believe that a program in research and development must form an important element in the overall tourism plan for Montana.

Such a program should seek to provide guidance to the State in three critical areas:

1. Understanding the market segments

The current research has identified several market segments to which tourism marketing efforts should be addressed. We have defined what the segments are. Further work needs to be done in learning what those segments want and need in order to have truly effective targeted marketing as well as to guide the design of facilities and programs to serve each segment's needs.

2. Evaluating themes and ideas

In developing major themes and ideas for the tourism advertising program, it will be important to gather input from those prospective travelers whom the advertising is expected to persuade. Learning how such consumers react to proposed communications before the communications are finalized will allow careful honing of the approaches to be maximally effective in persuading people to visit Montana at all or to stay longer when they do visit. It will also prevent communicating concepts to tourists that were not intended.

3. Monitoring the overall program

In order to learn how effective the tourism program has been in achieving its objectives, the program should be monitored on a periodic basis. Both public and private funding sources need to be reassured that their dollars have been well spent, and that more potential tourists think of Montana and visit Montana as the program grows in its influence. One of the important ways to demonstrate the program's effectiveness is to monitor attitudes and behavior among target market segments over time.

In sum, the overall goal of the research and development program is to provide the information required to build and manage an effective tourism development program in Montana.

